

# WORKFORCE OBSERVATIONS FOR WEST CENTRAL WISCONSIN COUNTIES

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State of Wisconsin  
Department of Workforce Development

## January unemployment rates rise to highest level in years

The unemployment rate is a lagging indicator in a recession and higher unemployment rates in January were anticipated. Unemployment always increases from December to January but this year, in addition to the seasonal reductions that typically occur, there are the payroll reductions caused by a sagging economy.

For some counties in the West Central region unemployment rates reached levels last seen in the early 1990s. For the Eau Claire-Chippewa metropolitan statistical area (MSA) the current unemployment rate, seasonally adjusted, was the highest since January 1994. However, the unemployment rate for the MSA declined from 5.1 in December to 4.9 percent in January, just as rates in five of the 11 metro areas in the state declined.

The local unemployment rate declined as the state rate increased. The state seasonally adjusted unemployment rate rose four-tenths of a percentage point from 4.7 in December to 5.1 percent in January, exceeding the metro rate in January. Even more significant is that the metro unemployment rate in January of 4.9 percent is only half a percentage point higher than last January's 4.4 percent while the current state rate of 5.1 percent is 1.3 percentage points higher than twelve months earlier. At least when the estimates are seasonally adjusted.

Not seasonally adjusted, the metro rate is higher than both the state and national rates and that reflects the long-term layoffs for area workers, especially those from manufacturing firms.

Manufacturing employment is down over 600 jobs from one year ago and nearly 1,500 from January 2000. The total number of jobs in the Eau Claire-Chippewa area, however, is only 100 jobs shy of the January 2000 estimate. Over the year, employers from other industries were adding workers as manufacturing employers reduced payrolls.

Clearly it is not a perfect match between the workers being laid off and the jobs available. There is the problem with skills of workers not matching the needs of employers. An electronic technician doesn't have the skill to meet

the requirements of LPN. There is also reluctance in both workers and employers to commit to a new relationship when there is a possibility to return to work for a previous employer.

Employers lay off a few workers every week. Over the weeks the number of workers without jobs grows larger and local unemployment rates increase. It is a cumulative effect that snowballs. That snowball has been increasing in the Eau Claire metro area, and in some of the other counties in the West Central region, for more than a year. As it grows larger, unemployment rates increase.

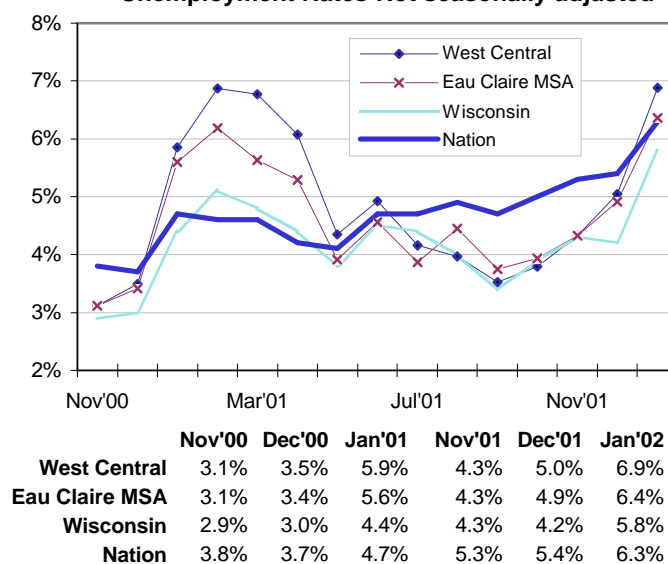
In two counties of the region, however, unemployment was worse last year. In Barron and Clark counties, unemployment this January is less than one year ago. The unemployment rate in Barron County declined from 7.6 to 7.4 percent compared with twelve months earlier and in Clark the rate dropped from 10.1 to 9.4 percent. Barron and Clark are among the 14 counties in the state that posted

January unemployment rates below those of last year. A 11 but one county in the state, Menominee, reported an increase in unemployment rate (not seasonally adjusted) from December. The highest rate in the West Central region was in Clark County, followed by Pepin (9.1%), Chippewa (8.6%), Polk (8.2%), and Barron (7.4%). Half the counties in the state had rates higher than 7.2% but four West Central counties had unemployment rates below this: St. Croix (7.0%), Dunn (5.8%), Pierce (5.6%), and Eau Claire (5.0%).

Included in the January estimates are unemployed residents that typically lose their jobs following the holidays. But this year the estimates also reflect the effects of the national recession on the local economy and some of the impact of lack of snow.

The number of regional jobs declined by over 7,000 in January, normal for the month but less than last January. The largest reduction occurred in government. This is a typical seasonal decline that should bounce back next month. It includes temporary reductions with school systems over the holiday break and reflects the delayed pay-

Unemployment Rates-Not seasonally adjusted



roll reporting that is standard in most schools. The jobs affected are not under annual contracts and include kitchen workers, bus drivers, cleaners, and teacher aides.

The second largest reduction in jobs was from retail trade employers. This, too, is mostly seasonal and also reflects that absence of students from the holiday break and fewer workers needed following holiday shopping. Service industry and construction employers also cut over 1,000 jobs from payrolls in January. Again, much of this is seasonal and recalls should

occur by late March or April, depending on the weather.

The number of jobs this year remains higher than one year ago in all industry divisions except manufacturing, transportation, and retail trade. In spite of the layoffs, employers have added roughly 2,000 more jobs to the regional economy in the last twelve months. Because of that, there were more residents employed in January 2002 than in any previous January. Out of a total labor force of 230,560 roughly 214,700 were employed.

**Estimates in this table include revisions from the March 2001 benchmark. All previously released labor force and industry estimates for 2001 are out-dated.**

<b>January 2002 Estimate:</b>	Wisconsin	EC MSA	Barron	Clark	Dunn	Pepin	Pierce	Polk	St.Croix
<b>Civilian Labor Force*</b>	3,031,900	83,400	23,800	16,000	22,900	3,100	21,700	24,100	35,800
Employed	2,855,200	78,100	22,000	14,500	21,500	2,800	20,400	22,100	33,300
Unemployed	176,600	5,300	1,800	1,500	1,300	300	1,200	2,000	2,500
Unemployment rate(%)	5.8%	6.4%	7.4%	9.4%	5.8%	9.1%	5.6%	8.2%	7.0%
<b>Total jobs, all industries**</b>	2,759,200	73,500	20,600	9,700	15,600	2,000	9,900	15,000	26,100
Construction & Mining	108,070	3,050	590	420	440	150	340	600	1,270
Manufacturing	567,670	11,640	6,470	3,090	2,290	160	1,330	4,670	6,690
Transportation & Public Util.	131,500	3,230	670	380	520	90	470	460	1,010
Wholesale Trade	135,100	3,130	570	510	590	240	180	370	640
Retail Trade	490,680	17,100	4,120	1,200	4,010	380	2,270	2,520	5,980
Finance,Ins,Real Estate	150,430	2,850	400	220	430	70	310	470	960
Services	761,100	21,860	3,380	1,710	2,640	390	1,980	3,290	5,980
Government	414,630	10,630	4,430	2,140	4,650	520	3,060	2,600	3,620
<b>Change from previous month</b>									
<b>Civilian Labor Force*</b>	50,700	-100	200	400	100	0	400	900	900
Employed	6,200	-1,300	-300	0	-300	-100	0	200	100
Unemployed	44,600	1,200	400	400	400	100	400	600	800
Unemployment rate(%)	1.4%	1.5%	1.8%	2.6%	1.7%	2.7%	1.7%	2.4%	2.1%
<b>Total jobs, all industries**</b>	-76,800	-3,300	-800	-300	-700	-100	-1,300	-200	-700
Construction & Mining	-11,700	-300	-200	-100	-100	0	-100	-100	-200
Manufacturing	-7,240	-80	40	60	-50	0	-50	60	-40
Transportation & Public Util.	-2,540	-90	-50	-60	-30	-10	-60	0	-90
Wholesale Trade	-1,380	10	0	-20	-30	-20	-40	0	0
Retail Trade	-27,730	-860	-180	-60	-190	-20	-110	-90	-40
Finance,Ins,Real Estate	-770	-10	-30	-10	0	0	-10	0	0
Services	-15,500	-310	-340	0	-110	-10	-150	-30	-220
Government	-9,950	-1,680	-80	-90	-150	-20	-770	-80	-90
<b>Change from one year ago</b>									
<b>Civilian Labor Force*</b>	96,200	1,900	400	700	2,300	0	400	1,500	1,300
Employed	60,200	1,200	500	700	2,000	0	100	1,000	200
Unemployed	36,100	700	0	0	300	0	300	500	1,100
Unemployment rate(%)	1.0%	0.8%	-0.2%	-0.6%	0.6%	0.6%	1.1%	1.7%	3.0%
<b>Total jobs, all industries**</b>	-13,500	-500	-100	200	1,200	0	200	400	800
Construction & Mining	-2,200	500	0	100	0	0	0	0	100
Manufacturing	-33,450	-630	-80	60	-60	0	80	130	-170
Transportation & Public Util.	-580	-160	30	20	20	-10	-10	-10	-40
Wholesale Trade	-840	-20	20	-20	-20	-20	-20	0	40
Retail Trade	-690	-590	10	-50	-30	-10	100	10	410
Finance,Insurance,Real Estate	2,620	60	-20	-10	30	0	10	20	80
Services	9,370	500	-250	50	40	-10	20	110	260
Government	12,280	-130	190	70	1,180	-10	-10	120	140

\* Includes participants residing in area. \*\* Includes employment with employers located in area. Estimates are NOT seasonally adjusted. Current month estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.

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